

Budget Request Brief for the 2004-2006 Biennium

(Submit one form for each request to the Secretary)

1. Agency name: Virginia Information Technologies Agency 2. Agency code: 136

3. Title of proposal: Project Management Code Requirements

4. Priority of this proposal: 6 Insert a number from 1 to 10, with 1 being highest priority and 10 being lowest

5. Description of proposal

VITA's Project Management Division (PMD) is established in the *Code of Virginia* to support and assist the CIO and the IT Investment Board (ITIB) in the implementation of an integrated approach to the management of information technology investments. This budget request provides justification to hire and house technology professionals to meet the performance requirements and functions defined for the PMD in the *Code of Virginia*. The request includes the following initiatives required to enable the PMD to perform its legislatively mandated responsibilities in an effective manner:

1. **Project Management and Administrative Support Positions** – Four project managers are needed to supplement the staff identified in the base budget for the PMD. The four project managers will provide project management consulting and assistance to agencies in the development of IT projects, as specified in the *Code of Virginia*. An Administrative Assistant position will also support the coordination of Agency Procurement Requests (APR) receipt, review, processing, response, and tracking--an important business function for the Commonwealth CIO and VITA.
2. **Project Manager Development Program (PMDP) Support** - Establishment of a PMDP for Commonwealth of Virginia Information Technology (IT) Project Managers is mandated by the *Code of Virginia*. The *Project Manager Training and Selection Standard* was promulgated by the CIO in September 2003. During FY04, the program will implement a Website, training, and testing. By the end of FY04, an on-line information clearinghouse and project mentoring program are planned, and required training will be provided (in the fall and spring) on a recurring basis. Additional funds are needed to pay for periodic updates of the online testing questions, training materials and pedagogical consulting for the mandatory PM orientation course to be offered by VITA, periodic seminars supporting PM mentoring, and the knowledge-based software and related development services for the information clearinghouse.
3. **IT Portfolio System** – Development and maintenance of an IT Portfolio system is required to serve as a centralized repository for IT projects and assets information. The IT Portfolio will be used to support executive decisions by the CIO and ITIB; improve investment accounting; assist in achieving economies of scale in purchasing; support the procurement and management of all IT investments for Executive Branch agencies; and, capture historical data for future investment decisions.

4. **ITIB Liaison Position and Support** - An ITIB Liaison position is required to provide high-level financial and portfolio analysis to the VITA, the CIO, and ITIB, and to coordinate ITIB support activities and deliverables. The ITIB Liaison will be responsible for the development of technical communications and presentations on behalf of the ITIB and serve as a liaison between the ITIB and agency/Secretariat Oversight Committees, and Deputy Secretaries responsible for technology initiatives. The ITIB Liaison will also be responsible for the scheduling and coordination of project reviews by the ITIB for the purpose of granting *Code* mandated development approval
5. **PM Professional Development of PMD Staff** – Additional financial support is required for professional development and training of the Project Management Division staff. Project Managers within the PMD must obtain and/or maintain nationally recognized PM qualifications and certifications (e.g. PMI Certification) in order to serve as credible consultants and advisors for Commonwealth major IT projects.
6. **Infrastructure Build Out to Support Expanded Staff** - Office space and equipment will be required for the six personnel requested herein, including one-time costs for office furniture and equipment. Annual recurring costs include desktop computers (Seat Management costs), increased lease costs associated with additional space, individual parking supplements, and telephone service.

6. Justification/Rationale/Consequences of not funding

The justifications for funding this request are *Code* and performance driven. Each initiative is designed to empower the PMD to perform *Code* mandated responsibilities and enhance the performance of the Division in providing a satisfactory level of service to the ITIB, the CIO, and other constituencies. While each initiative is justifiable as a stand-alone item (see below), the consolidated implementation of all PMD initiatives will best ensure the legislative intent and expected value anticipated from establishment of the PMD is achieved. Justification for funding for the six PMD initiatives is:

1. **Project Management and Administrative Support Positions** – The PMD is mandated in the *Code of Virginia* to provide program, project, and portfolio management services as well as consult with and assist agencies in the development of IT Projects. Adequate staff with competent project management and technical skills is required to perform these functions. In the 2004-2006 budget biennium, the Commonwealth project portfolio will exceed 100 major projects with an anticipated portfolio value exceeding \$1 billion.
2. **Project Manager Development Program (PMDP) Support** - The *Code of Virginia* requires the CIO to establish standards for the qualification and training of IT project managers. Additionally, VITA is also required by *Code* to provide for the cost effective training of IT project managers. The budget request for FY 05 and 06 supports the continued operation and maintenance of the *Code* mandated PMDP activities through the upcoming biennium.
3. **IT Portfolio System** The implementation of the IT Portfolio will provide an enterprise view of IT projects, assets, costs and expenditures, along with procurement and purchasing information. A Commonwealth IT Portfolio system represents an industry best practice approach to supporting sound business-driven technology investment decisions.
4. **ITIB Liaison Position and Support** - The *Code of Virginia* requires the PMD to provide

staff support to the ITIB. ITIB requirements for information will cut across various organizations within VITA, agencies, and Secretariats throughout the Commonwealth. Preliminary indications from members of the ITIB are that significant investment analysis and reporting activities will be required, at a level of expertise that does not currently exist within the PMD organization.

5. **PM Professional Development of PMD Staff** - PMD Professional Development is essential because PMD is required by the *Code of Virginia* to consult and assist agencies in the development of IT projects. The PMD is also required by *Code* to assist the CIO in developing policies, standards, and procedures related to IT Project management and to promulgate PM “best practices.” In order to effectively provide PM services, it is important that the PMD be staffed with well qualified, knowledgeable individuals who stay current with industry “best practices”
6. **Infrastructure Build Out to Support Expanded Staff** – Additional staff is needed to carry out the functions assigned to PMD in *Code*. Appropriate office space and equipment must be procured to support the additional positions.

The consequence of not funding this proposal is that the ability of the PMD to carry out *Code* mandated responsibilities would be severely constrained. The consequences of not funding each initiative are:

1. **Project Management and Administrative Support Positions**- If additional Project Manager Staff positions are not funded, *Code* mandated IT Project Consulting and related auditing services will not be provided. Existing staffing will only be sufficient to perform basic reviews of submitted major IT project materials. Information Technology Investment Management/Project Management *Code* mandated best practices promulgation, agency IT budget reviews, and ITIM supporting applications development support will also be severely curtailed. If the Administrative Assistant position is not funded, APR processing and normal administrative functions will fall to existing professional staff to perform, further limiting their availability for other priority activities.
2. **Project Manager Development Program (PMDP) Support** - If the PMDP is not adequately funded, the on-line testing program cannot be appropriately “refreshed” and kept current, mandatory PM orientation course offerings will be cut back, seminars supporting PM mentoring will not take place, and the Web-based knowledge management system supporting the required information clearinghouse cannot be acquired and maintained. The Commonwealth will therefore continue to run significant risk of failed IT projects because project managers assigned to IT projects may not have the knowledge, experience, or access to information sources necessary to deliver the required projects on time and within budget.
3. **IT Portfolio System** - Not funding the IT Portfolio means VITA will have limited ability to capture, analyze, and report IT project, asset, and expenditure information; will not satisfy project performance measurement requirements as stated in *HB 30 4-5.05*; and, will not satisfy project oversight and reporting requirements as mandated in the *Code of Virginia*.
4. **ITIB Liaison Position and Support** – If ITIB support is not funded, the ability of the PMD to adequately support the Commonwealth ITIB, in the performance of their technology investment selection, control, and evaluation mandate, as defined by the *Code of Virginia*, will be severely constrained.
5. **PM Professional Development of PMD Staff** – By not funding PM Professional

Development, the ability of the PMD staff to maintain necessary PM qualifications and certifications, and to insure current knowledge of project management “best practices” will be limited. Agency confidence in the PMD expertise will suffer.

6. **Infrastructure Build Out to Support Expanded Staff** – If the infrastructure build out to support expanded staff is not funded, an adequate work environment will not be available for efficient operations of the PMD.

7. **Resource Requirements (See Appendix A for detail)**

Fiscal year	Dollars		Positions	
	GF	NGF	GF	NGF
FY 2005	\$2,850,374	0	6	
FY 2006	\$785,986	0	6	

Approved for detailed submission:

Signature of Secretary

Date

APPENDIX A							
PMD Build Out Budget Request Detail							
PMD Initiative	Fiscal year	Dollars		Positions		Biennium Dollars Total (All GF)	Comments
		GF	NGF	GF	NGF		
PM and Admin Positions	FY 2005	\$433,700	0	5	0	\$867,400	Includes average staff salaries of \$75,000 for four Project Managers and \$35,000 for one Administrative Assistant plus 22% benefit and \$5,000 overhead for each position.
	FY 2006	\$433,700	0	5	0		
PMDP Support	FY 2005	\$124,600	0	0	0	\$250,000	Includes ongoing support costs for training and testing administration, web support, and mentoring program.
	FY 2006	\$125,400	0	0	0		
IT Portfolio	FY 2005	\$2,113,000	0	0	0	\$2,195,000	Assumes funding is not available in FY04 for completion of the IT Portfolio. FY06 represents ongoing maintenance and support.
	FY 2006	\$82,000	0	0	0		
Infrastructure Build Out	FY 2005	\$63,474	0	0	0	\$92,760	Includes one-time costs of \$34,188 for modular office furniture in FY05, and annual recurring costs of \$29,286 for lease, parking, phone, and seat management for FY05 and FY06.
	FY 2006	\$29,286	0	0	0		
ITIB Liaison Position and Support	FY 2005	\$102,600	0	1	0	\$205,200	Includes staff salary of \$80,000 plus 22% benefit and \$5,000 overhead for position.
	FY 2006	\$102,600	0	1	0		
PM Professional Development	FY 2005	\$13,000	0	0	0	\$26,000	Additional training allocation for continued PM qualification and certification.
	FY 2006	\$13,000	0	0	0		
PMD Build Out Total	FY 2005	\$2,850,374	\$0	6	0	\$3,636,360	
	FY 2006	\$785,986	\$0	6	0		